

What The TOD Bill Does

Gives localities more flexibility and opportunity to use:

- TIF and special taxing district bonds to finance
 TOD infrastructure
- Tax increment revenues for TOD TIFs
- Special taxing districts for TOD capital costs
- Special taxing districts for TOD infrastructure operations and maintenance

What The Bill Does NOT Do

- Authorize localities to issue new taxes
- Allow localities to create special taxing districts without resident approval
- Redirect existing revenue streams which would otherwise fund schools, police, fire protection, or other public services
- Take any control or discretion away from localities
- Impact localities' land use authority

Who It Effects

Special Taxing District Amendments

- All municipalities (except Baltimore City)
- Certain counties: Anne Arundel, Baltimore, Calvert, Cecil, Charles, Garrett, Harford, Howard, Prince George's, St. Mary's, Washington, Wicomico

TIF Amendments

- All municipalities (except Baltimore City)
- All counties



Bonds To Finance TOD

What Localities Can Do Now

- Issue their own bonds for TIFs
- Issue their own bonds for special taxing districts

What They Could Do

- Use bonds issued by MEDCO for TIFs for TOD
- Use bonds issued by MEDCO for special taxing districts for TOD

Bonds To Finance TOD

- MEDCO bonds are non-recourse to the locality
- Risk assumed by private investors
- Bonds cannot be accelerated
- Does not directly effect locality's legal debt cap



Tax Increment Revenues For TIFs

What Localities Can Do Now

Use real property tax increment to repay TIF bonds

What They Could Do

Use any local tax increment, such as the Hotel Tax, Income Tax, or Entertainment & Amusement Tax increment, to repay TIF bonds used for TOD

Tax Increment Revenues For TIFs

- Localities have more flexibility in how they structure TIFs
- Makes TIFs feasible when the property tax increment alone won't create sufficient revenue
- Other states already use other taxes for TIFs, such as Colorado, Missouri, Illinois, and Iowa



Special Taxing Districts for TOD Infrastructure

What Localities Can Do Now

- Use special taxes to pay off bonds
- Use special taxes to pay off bonds used for improvements owned by the locality

What They Could Do

- Use special taxes to pay for TOD capital costs directly, without using bonds
- Use special taxes to pay for State- and MEDCOowned improvements in TODs

Special Taxing Districts for TOD Infrastructure

- Localities, the State and MEDCO can share responsibilities to fund, build, operate and maintain public improvements on TODs
- Applying special taxes to capital costs directly saves locality bond servicing interest and fees



Special Taxing Districts For TOD Infrastructure Operations and Maintenance

What Localities Can Do Now

- Apply special taxes towards capital costs only
- Use special taxes to pay off bonds only

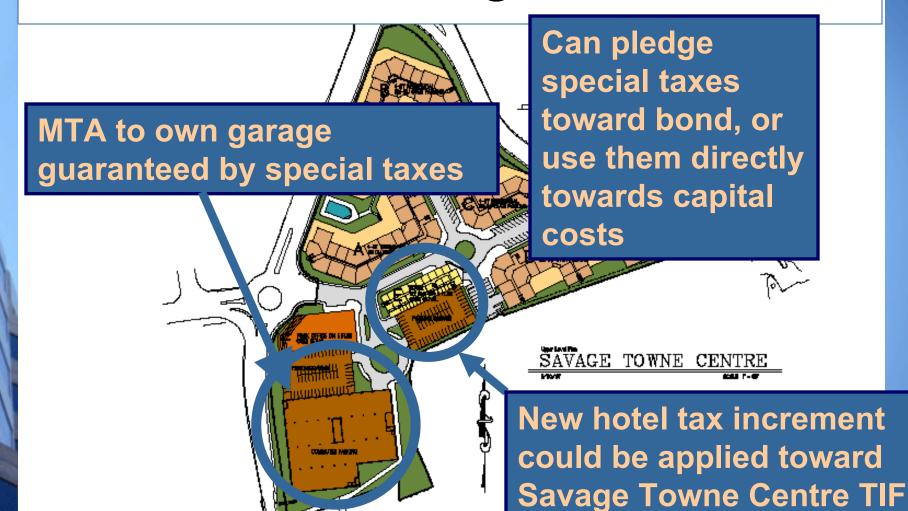
What They Could Do

- Use special taxes for TOD operations and maintenance, not just capital costs
- Use special taxes to pay for TOD operations directly, without using bonds

Special Taxing Districts For TOD Infrastructure Operations and Maintenance

- Applying special taxes to costs directly saves locality bond servicing interest and fees
- Provides a regular revenue source that wouldn't exist but for the development, and dedicates it to operations and maintenance
- Developer, who is person paying special tax, operates and maintains the public improvement with certain tax benefits

Savage



Owings Mills

Garages can be operated and maintained with special taxes



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